

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7372

BILL NUMBER: SB 373

NOTE PREPARED: Mar 3, 2003

BILL AMENDED: Feb 20, 2003

SUBJECT: Driver Financial Responsibility.

FIRST AUTHOR: Sen. Mrvan

FIRST SPONSOR: Rep. L. Lawson

BILL STATUS: As Passed - Senate

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that a person who does not maintain financial responsibility on a motor vehicle commits a Class A infraction. It makes a second offense a Class C misdemeanor.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) Under current law, a person who does not maintain financial responsibility on a motor vehicle commits a Class A infraction. Under this bill, the offense would be a Class C misdemeanor for a second offense.

Fines from misdemeanors are deposited in the Common School Fund, while infraction judgements are deposited in the state General Fund. Currently, the maximum judgment for a Class A infraction is \$10,000, which is deposited into the state General Fund, while the maximum fine for a Class C misdemeanor is \$500, which is deposited into the Common School Fund. Also, the sentencing court may assess a court fee if a guilty verdict is entered. The court fee for an infraction is \$70, while the court fee for a misdemeanor is \$120. The state receives 70% of the court fee that is assessed when a guilty verdict is entered and the fee is collected in a court of record and 55% if a case is filed in a city or town court.

Explanation of Local Expenditures: Local expenditures could increase if offenders are incarcerated in local jails instead of being only fined. A Class C misdemeanor is punishable by up to 60 days in jail. The average daily cost of housing an offender in jail is reported to be \$44. There is no term of imprisonment for an

infraction.

Explanation of Local Revenues: Local governments could receive additional revenues from any court fees that are collected for cases that were infractions and are now misdemeanors. 27% of court fees that are collected are deposited in the county general fund when a guilty verdict is entered for a misdemeanor. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. From city and town courts, the county general fund receives 20% of the court fee while the city or town general fund receives 25%.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial courts; local law enforcement agencies.

Information Sources: Indiana Sheriffs Association.

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